



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

Voluntary Pooled Procurement & Capacity Building Services

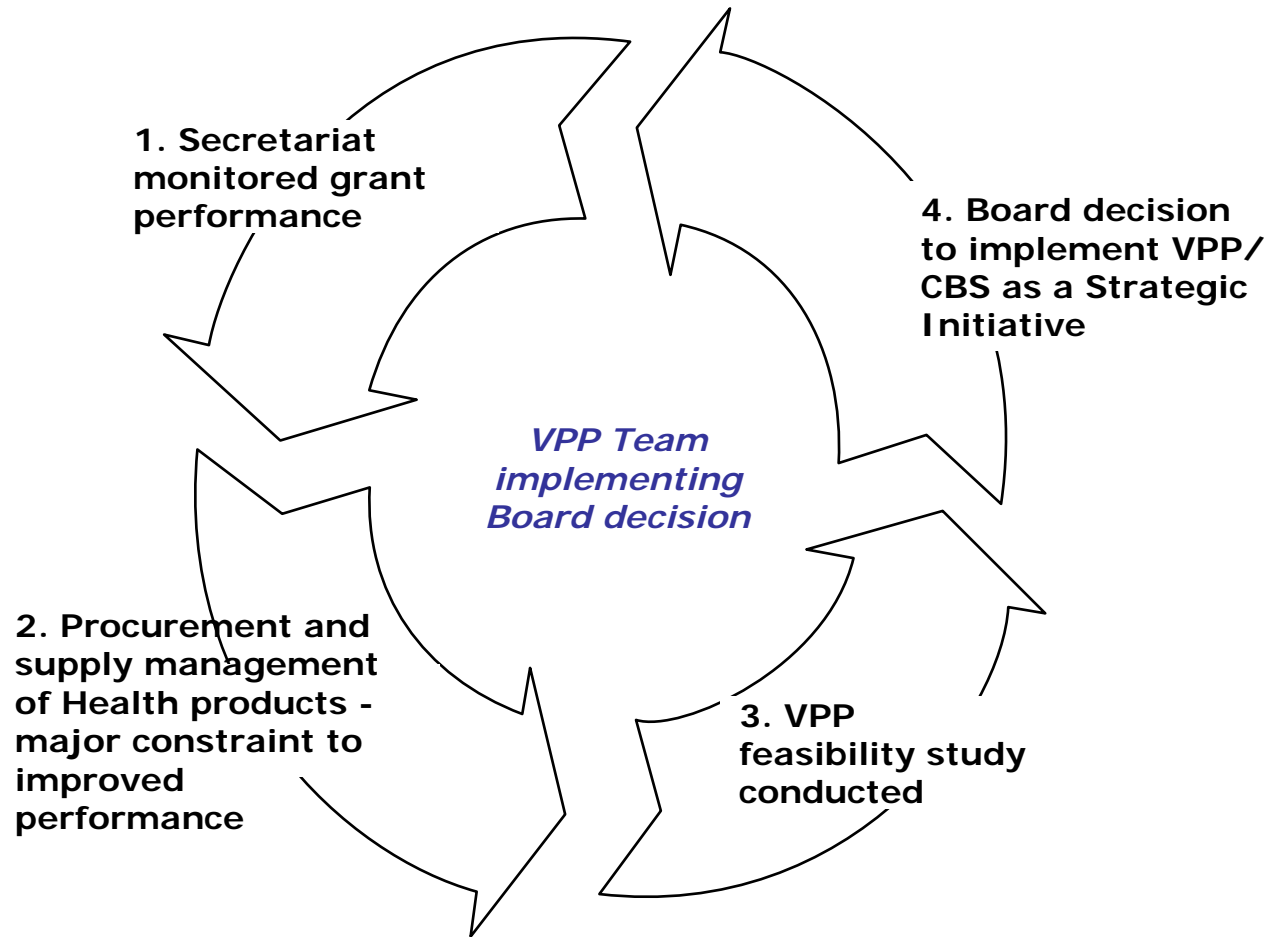
AMDS Partners and Stakeholders Meeting, March 2009

Voluntary Pooled Procurement and Capacity Building Services

- Global Fund Strategic Initiative
 - Board Decision (Decision Point /B15/DP15) April 2007

- Procurement Supply Chain Systems
 - Short-term Strategy
 - Pooled Procurement
 - Long term Strategy
 - Capacity Building and Supply Chain Management Assistance

Why Pooled Procurement / Capacity Building



Voluntary Pooled Procurement

OBJECTIVES OF THE VPP

- Improve market outcomes:
 - Price, supply, quality and market sustainability
- Address key procurement “Bottlenecks”
 - Improve supply and delivery outcomes
 - Ensure transparency and cost efficiency in procurement process
 - Reduce lead time and delays in procurement and deliveries
- Improve grant management and performance

VPP – KEY COMPONENTS

1. Negotiation of prices and selection of suppliers

- Product / Manufacturer selection – QA Policy
- Establish ceiling / maximum prices, terms and conditions
 - Clinton Foundation

2. Procurement services - manage the operational process

- Aggregate demands, process orders / deliveries
- Facilitate tracking of orders
- Process payments to manufacturers / suppliers
- Data input in Price Quality Reporting system
 - PFSCM – ARVs & ACTs
 - PSI - LLINs

VPP –KEY COMPONENTS

3. Direct Payment Mechanism

- More secure and efficient terms of payment
- Optimal Fund Flow

4. VPP products

- Core products (ARVs, LLINs, ACTs)
- Additional products (Drugs for OIs, Lab. Supplies)
 - Optional to PR

5. Monitoring of performance of PSA and manufacturers

Capacity Building / Supply Chain Management Assistance

Objectives of the CBS/SCMA

- Attain a balance between:
 - Pooled Procurement
 - Cost effective ordering process
 - Capacity Building / Development
 - Development and / or strengthening of national systems for an effective, efficient and sustainable supply chain management
- Facilitate timely access to medicines

CBS/ SCMA

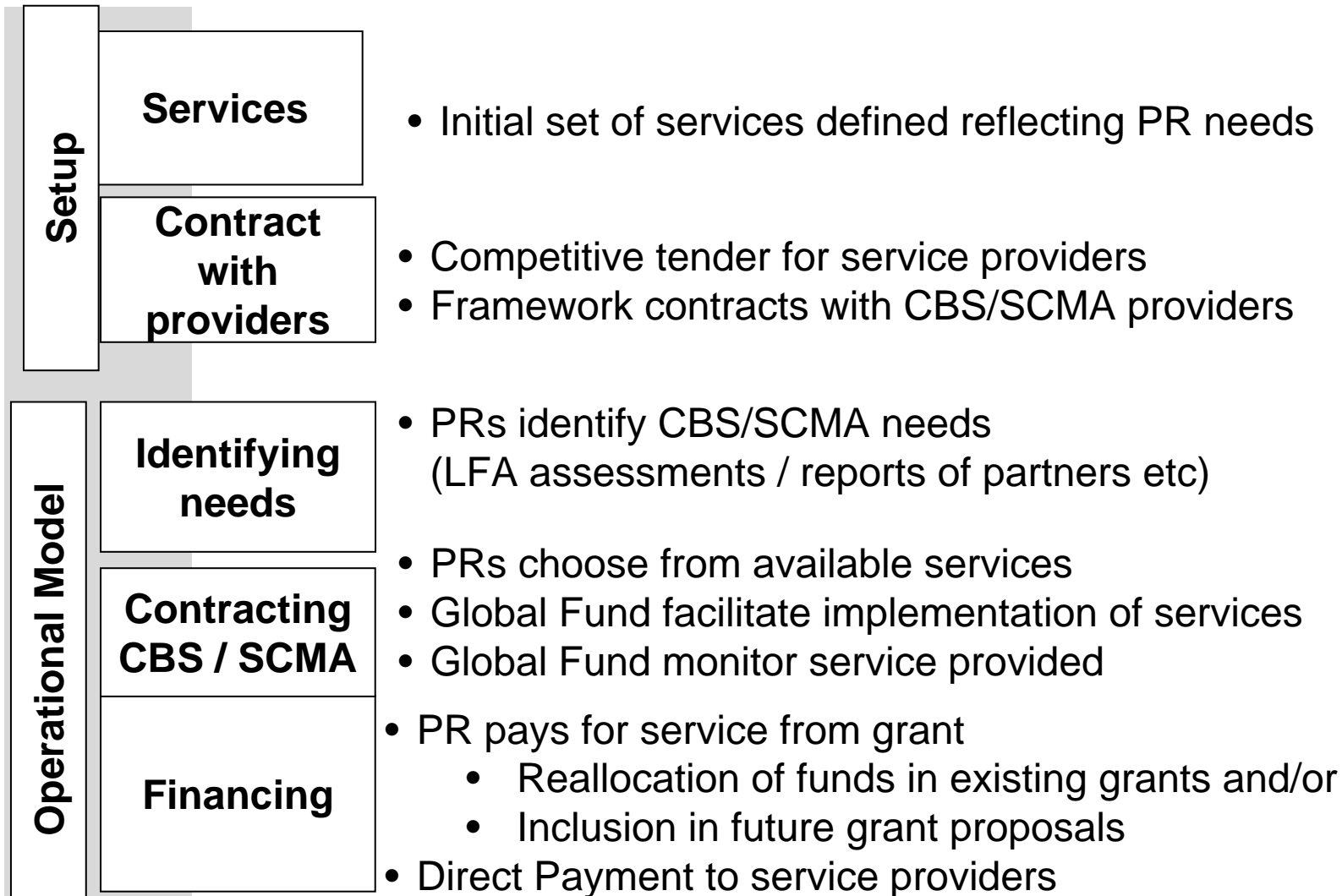
Areas:

- Quantification / Forecasting
- Procurement Planning
- Inventory / Logistics Management

Types:

- Training (groups / individuals / short-term / long-term)
- Technical Assistance (Short-term / long-term / transfer of skills (I do-you watch/ we do/ you do-I watch scenario))
- Developing Systems / Tools – facilitating operation and use

CBS/ SCMA : Mechanism and Process



VPP / CBS Roll Out

- Registration of Participating PRs
 - Consultative process – ongoing
 - PR to identify grant, product category and timeframe / Scope of work for CBS/SCMA

- Implementation Plan
 - January to March: Roll out
 - Negotiation with suppliers- ongoing
 - Selection of service providers – ongoing

 - April 2009 – Services operational

PRs / Countries for VPP

- **Confirmed participation**

- Bangladesh
- Cameroun
- Honduras
- Indonesia
- Macedonia
- Niger
- Nigeria
- Philippines

- **Potential participation**

- Central African Republic
- Djibouti
- Dominican Republic
- Guinea
- Guinea Bissau
- Laos
- Liberia
- Multi-country Western Pacific
- Papua New Guinea
- Timor Leste
- Vietnam
- Yemen



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Applicants and Implementers

Applying for Grants

Procurement and Supply Management

→ Guide to Writing Procurement and Supply Management (PSM) Plans

→ Quality Assurance Information

→ Price Reporting Mechanism

→ **Voluntary Pooled Procurement and Capacity Building**

→ Information to Suppliers

Monitoring and Evaluation

Regional Meetings

Voluntary Pooled Procurement and Capacity Building services

Background

In April 2007, the Global Fund Board tasked the Secretariat to establish the Voluntary Pooled Procurement (VPP) for the recipients of its grants and to offer Capacity Building Service (CBS) and Supply Chain Management Assistance (SCMA). These services will be operational in January 2009.

Principal Recipients participating in the Voluntary Pooled Procurement will be able to procure these core health products through a global pooled procurement service operated by 3rd party procurement agents selected by the Global Fund:

- First-line anti-retroviral (ARVs);
- Second-line ARVs;
- Artemisinin-combination therapies (ACTs); and
- Long-lasting insecticide treated nets (LLINs)

In addition, the procurement agents will be required to provide procurement service for a broader range of health products to meet the individual needs of PRs.

The potential benefits to a Principal Recipient utilizing the VPP include:

Documents

- **Board Decision**
- **Information note**
English PDF - 101 KB
Français PDF - 61 KB
Español PDF - 68 KB
- **List of VPP Products**
- **List of CBS/SCMA services (under development)**
- **RFP (Negotiation Services) Amendments 1, 2, 3**
- **RFP (Procurement Service Agent)**
- **RFP (CBS/SCMA Agent) (under development)**
- **Introductory Letter to Manufacturers**